



**USAID | MACEDONIA**  
FROM THE AMERICAN PEOPLE



**FOR IMMEDIATE RELEASE**

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## **PRESS RELEASE**

### **New \$5 Million Loan Guarantee for Microenterprises and Students**

USAID, Savings Houses Mozhnosti and FULM marked a decade of collaboration in assisting microentrepreneurs and students to access credit by establishing a new loan guarantee program. Both savings houses were established ten years ago with over \$12 million of funding and assistance from USAID dating back to the mid-1990's.

"Today, USAID is proud that both institutions have grown to be models of good governance and entrepreneurialism. In today's economic climate, their mission of providing microentrepreneurs and students with access to credit is as important as ever" USAID Mission Director, Mike Fritz, said.

In spite of impressive growth, both institutions adhere to their original mission of providing credit to those who otherwise would not have access to banks loans. Since inception, Mozhnosti has grown from being the first micro finance institution in Macedonia with only 5 staff members to an institution with eleven branches, nearly 100 employees and over 8,300 borrowers today. Meanwhile, FULM has also grown significantly with a membership of over 8,000. By next year, FULM will become the first member owned and governed credit union in Macedonia, and the only Macedonian member of the World Council of Credit Unions (WOCCU).

"Back in 1999, we started working at a time when there was complete mistrust in financial institutions and saving houses," said Eleonora Zgonjanin, Director of FULM Savings House. "Savings in domestic currency were particularly difficult; there were complicated procedures to obtain credit and reimbursement of those loans was uncertain. But today, through our eight branch offices, FULM Saving House has provided more than 14,000 loans exceeding a total of \$20 million. We have succeeded in transforming the challenges that we faced at the beginning into success stories for more than eight thousand members."

"By disbursing more than 30,000 micro and small loans totaling 120 million euro, Mozhnosti's loans helped to sustain 30,000 jobs and create more than 7 000 new ones" said Snezana Andova, Director of Mozhnosti Savings House.

When asked about his membership in FULM, Ljube Bojkovski stated "Their simple procedures for taking loans, excellent customer service and acceptable credit rates are the basic reasons why I am a user of several loans at FULM Savings House." Dejan Atanasovski is Mozhnosti client and he stated "At the most difficult time in my life, when I lose my job and I didn't had money to start my own business, the only people who had trust in me were the people from Mozhnosti. I started the business with the first 1500 EU credit and with this money I open up a small bakery. Now I use the second loan in amount of 2500 EU and I bought a vehicle that I need for the business. I don't want to think about what could have happened without their help.

This anniversary of USAID collaboration with the savings houses is marked by a new Development Credit Authority (DCA) Loan Portfolio Guarantee, which will help mobilize \$5 million of credit over 10 years to microentrepreneurs and students, who have been the hardest hit during the current global financial crisis.

#### **NOTES TO EDITORS:**

The American people, through USAID, have invested more than \$500 million in Macedonia since 1993. Over 25 projects worth more than \$25 million a year are currently being implemented. These projects are designed to support Macedonia's transition to a free market-based, multi-ethnic democracy. They include initiatives to accelerate economic growth, develop democratic institutions, and educate citizens for a modern economy. USAID provides economic and humanitarian assistance in more than 100 countries. For more information please visit <http://macedonia.usaid.gov>